

SAVINGS PROVISION

For provisions that nothing in amendment by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

§ 30D. New qualified plug-in electric drive motor vehicles

(a) Allowance of credit

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credit amounts determined under subsection (b) with respect to each new qualified plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

(b) Per vehicle dollar limitation

(1) In general

The amount determined under this subsection with respect to any new qualified plug-in electric drive motor vehicle is the sum of the amounts determined under paragraphs (2) and (3) with respect to such vehicle.

(2) Base amount

The amount determined under this paragraph is \$2,500.

(3) Battery capacity

In the case of a vehicle which draws propulsion energy from a battery with not less than 5 kilowatt hours of capacity, the amount determined under this paragraph is \$417, plus \$417 for each kilowatt hour of capacity in excess of 5 kilowatt hours. The amount determined under this paragraph shall not exceed \$5,000.

(c) Application with other credits

(1) Business credit treated as part of general business credit

So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

(2) Personal credit

For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

(d) New qualified plug-in electric drive motor vehicle

For purposes of this section—

(1) In general

The term “new qualified plug-in electric drive motor vehicle” means a motor vehicle—

(A) the original use of which commences with the taxpayer,

(B) which is acquired for use or lease by the taxpayer and not for resale,

(C) which is made by a manufacturer,

(D) which is treated as a motor vehicle for purposes of title II of the Clean Air Act,

(E) which has a gross vehicle weight rating of less than 14,000 pounds, and

(F) which is propelled to a significant extent by an electric motor which draws electricity from a battery which—

(i) has a capacity of not less than 4 kilowatt hours, and

(ii) is capable of being recharged from an external source of electricity.

(2) Motor vehicle

The term “motor vehicle” means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

(3) Manufacturer

The term “manufacturer” has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

(4) Battery capacity

The term “capacity” means, with respect to any battery, the quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as measured from a 100 percent state of charge to a 0 percent state of charge.

(e) Limitation on number of new qualified plug-in electric drive motor vehicles eligible for credit

(1) In general

In the case of a new qualified plug-in electric drive motor vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (a) shall be allowed.

(2) Phaseout period

For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000.

(3) Applicable percentage

For purposes of paragraph (1), the applicable percentage is—

(A) 50 percent for the first 2 calendar quarters of the phaseout period,

(B) 25 percent for the 3d and 4th calendar quarters of the phaseout period, and

(C) 0 percent for each calendar quarter thereafter.

(4) Controlled groups

Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.

(f) Special rules

(1) Basis reduction

For purposes of this subtitle, the basis of any property for which a credit is allowable

under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (c)).

(2) No double benefit

The amount of any deduction or other credit allowable under this chapter for a vehicle for which a credit is allowable under subsection (a) shall be reduced by the amount of credit allowed under such subsection for such vehicle (determined without regard to subsection (c)).

(3) Property used by tax-exempt entity

In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (c)). For purposes of subsection (c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.

(4) Property used outside United States not qualified

No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

(5) Recapture

The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

(6) Election not to take credit

No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

(7) Interaction with air quality and motor vehicle safety standards

A vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

(g) Credit allowed for 2- and 3-wheeled plug-in electric vehicles

(1) In general

In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

(A) there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the applicable amount with respect to each such qualified 2- or 3-wheeled plug-in

electric vehicle placed in service by the taxpayer during the taxable year, and

(B) the amount of the credit allowed under subparagraph (A) shall be treated as a credit allowed under subsection (a).

(2) Applicable amount

For purposes of paragraph (1), the applicable amount is an amount equal to the lesser of—

(A) 10 percent of the cost of the qualified 2- or 3-wheeled plug-in electric vehicle, or

(B) \$2,500.

(3) Qualified 2- or 3-wheeled plug-in electric vehicle

The term “qualified 2- or 3-wheeled plug-in electric vehicle” means any vehicle which—

(A) has 2 or 3 wheels,

(B) meets the requirements of subparagraphs (A), (B), (C), (E), and (F) of subsection (d)(1) (determined by substituting “2.5 kilowatt hours” for “4 kilowatt hours” in subparagraph (F)(i)),

(C) is manufactured primarily for use on public streets, roads, and highways,

(D) is capable of achieving a speed of 45 miles per hour or greater, and

(E) is acquired—

(i) after December 31, 2011, and before January 1, 2014, or

(ii) in the case of a vehicle that has 2 wheels, after December 31, 2014, and before January 1, 2022.

(Added Pub. L. 110-343, div. B, title II, §205(a), Oct. 3, 2008, 122 Stat. 3835; amended Pub. L. 111-5, div. B, title I, §1141(a), Feb. 17, 2009, 123 Stat. 326; Pub. L. 111-148, title X, §10909(b)(2)(H), (c), Mar. 23, 2010, 124 Stat. 1023; Pub. L. 111-312, title I, §101(b)(1), Dec. 17, 2010, 124 Stat. 3298; Pub. L. 112-240, title I, §104(c)(2)(I), title IV, §403(a), (b), Jan. 2, 2013, 126 Stat. 2322, 2337, 2338; Pub. L. 113-295, div. A, title II, §209(e), Dec. 19, 2014, 128 Stat. 4028; Pub. L. 114-113, div. Q, title I, §183(a), Dec. 18, 2015, 129 Stat. 3072; Pub. L. 115-123, div. D, title I, §40405(a), Feb. 9, 2018, 132 Stat. 148; Pub. L. 116-94, div. Q, title I, §126(a), Dec. 20, 2019, 133 Stat. 3231; Pub. L. 116-260, div. EE, title I, §144(a), Dec. 27, 2020, 134 Stat. 3054.)

Editorial Notes

REFERENCES IN TEXT

The Clean Air Act, referred to in subsecs. (d)(1)(D), (3), (f)(7)(A), is act July 14, 1955, ch. 360, 69 Stat. 322, which is classified generally to chapter 85 (§7401 et seq.) of Title 42, The Public Health and Welfare. Title II of the Act, known as the National Emissions Standards Act, is classified generally to subchapter II (§7521 et seq.) of chapter 85 of Title 42. Section 209(b) of the Act is classified to section 7543(b) of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

AMENDMENTS

2020—Subsec. (g)(3)(E)(ii). Pub. L. 116-260 substituted “January 1, 2022” for “January 1, 2021”.

2019—Subsec. (g)(3)(E)(ii). Pub. L. 116-94 substituted “January 1, 2021” for “January 1, 2018”.

2018—Subsec. (g)(3)(E)(ii). Pub. L. 115-123 substituted “January 1, 2018” for “January 1, 2017”.

2015—Subsec. (g)(3)(E). Pub. L. 114-113 substituted “acquired—” for “acquired after December 31, 2011, and before January 1, 2014.” and added cls. (i) and (ii).

2014—Subsec. (f)(1), (2). Pub. L. 113-295, §209(e)(1)(A), (B), inserted “(determined without regard to subsection (c))” before period at end.

Subsec. (f)(3). Pub. L. 113-295, §209(e)(2), inserted at end “For purposes of subsection (c), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”

2013—Subsec. (c)(2). Pub. L. 112-240, §104(c)(2)(I), amended par. (2) generally. Prior to amendment, par. (2) related to personal credit with a limitation based on amount of tax.

Subsec. (f)(2). Pub. L. 112-240, §403(b)(1), substituted “vehicle for which a credit is allowable under subsection (a)” for “new qualified plug-in electric drive motor vehicle” and “allowed under such subsection” for “allowed under subsection (a)”.

Subsec. (f)(7). Pub. L. 112-240, §403(b)(2), substituted “A vehicle” for “A motor vehicle” in introductory provisions.

Subsec. (g). Pub. L. 112-240, §403(a), added subsec. (g).
2010—Subsec. (c)(2)(B)(ii). Pub. L. 111-148, §10909(b)(2)(H), (c), as amended by Pub. L. 111-312, temporarily substituted “section 25D” for “sections 23 and 25D”. See Effective and Termination Dates of 2010 Amendment note below.

2009—Pub. L. 111-5 amended section generally. Prior to amendment, section provided credit with respect to each new qualified plug-in electric drive motor vehicle placed in service and set forth provisions defining “applicable amount” and “new qualified plug-in electric drive motor vehicle” and stating limitations based on vehicle weight, the number of vehicles eligible for credit, and amount of tax liability.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2020 AMENDMENT

Pub. L. 116-260, div. EE, title I, §144(b), Dec. 27, 2020, 134 Stat. 3054, provided that: “The amendment made by this section [amending this section] shall apply to vehicles acquired after December 31, 2020.”

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-94, div. Q, title I, §126(b), Dec. 20, 2019, 133 Stat. 3231, provided that: “The amendment made by this section [amending this section] shall apply to vehicles acquired after December 31, 2017.”

EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-123, div. D, title I, §40405(b), Feb. 9, 2018, 132 Stat. 148, provided that: “The amendment made by this section [amending this section] shall apply to vehicles acquired after December 31, 2016.”

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, §183(b), Dec. 18, 2015, 129 Stat. 3073, provided that: “The amendments made by this section [amending this section] shall apply to vehicles acquired after December 31, 2014.”

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 effective as if included in the provisions of the American Recovery and Reinvestment Tax Act of 2009, Pub. L. 111-5, div. B, title I, to which such amendment relates, see section 209(k) of Pub. L. 113-295, set out as a note under section 24 of this title.

EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by section 104(c)(2)(I) of Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2011, see section 104(d) of Pub. L. 112-240, set out as a note under section 23 of this title.

Pub. L. 112-240, title IV, §403(c), Jan. 2, 2013, 126 Stat. 2338, provided that: “The amendments made by this section [amending this section] shall apply to vehicles acquired after December 31, 2011.”

EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Amendment by Pub. L. 111-148 terminated applicable to taxable years beginning after Dec. 31, 2011, and section is amended to read as if such amendment had never been enacted, see section 10909(c) of Pub. L. 111-148, set out as a note under section 1 of this title.

Amendment by Pub. L. 111-148 applicable to taxable years beginning after Dec. 31, 2009, see section 10909(d) of Pub. L. 111-148, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-5 applicable to vehicles acquired after Dec. 31, 2009, see section 1141(c) of Pub. L. 111-5, set out as a note under section 30B of this title.

EFFECTIVE DATE

Section applicable to taxable years beginning after Dec. 31, 2008, see section 205(e) of Pub. L. 110-343, set out as an Effective and Termination Dates of 2008 Amendment note under section 24 of this title.

SUBPART C—REFUNDABLE CREDITS

- Sec. 31. Tax withheld on wages.
- 32. Earned income.
- 33. Tax withheld at source on nonresident aliens and foreign corporations.
- 34. Certain uses of gasoline and special fuels.
- 35. Health insurance costs of eligible individuals.
- 36. First-time homebuyer credit.
- [36A. Repealed.]
- 36B. Refundable credit for coverage under a qualified health plan.
- [36C. Renumbered.]
- 37. Overpayments of tax.

Editorial Notes

AMENDMENTS

2014—Pub. L. 113-295, div. A, title II, §221(a)(5)(A), Dec. 19, 2014, 128 Stat. 4037, struck out item 36A “Making work pay credit”.

2010—Pub. L. 111-148, title X, §10909(b)(2)(Q), (c), Mar. 23, 2010, 124 Stat. 1023, as amended by Pub. L. 111-312, title I, §101(b)(1), Dec. 17, 2010, 124 Stat. 3298, temporarily added item 36C “Adoption expenses”. See Effective and Termination Dates of 2010 Amendment note set out under section 1 of this title.

Pub. L. 111-148, title I, §1401(d)(2), Mar. 23, 2010, 124 Stat. 220, added item 36B.

2009—Pub. L. 111-5, div. B, title I, §1001(e)(3), Feb. 17, 2009, 123 Stat. 312, added item 36A.

2008—Pub. L. 110-289, div. C, title I, §3011(b)(4), July 30, 2008, 122 Stat. 2891, added item 36 and redesignated former item 36 as 37.

2002—Pub. L. 107-210, div. A, title II, §201(c)(2), Aug. 6, 2002, 116 Stat. 960, which directed amendment of the table of sections for subpart C of part IV of this chapter by adding items 35 and 36 and striking out the last item, was executed to the table of sections for this subpart which is in part IV of subchapter A of this chapter by adding those items and striking out former item 35 “Overpayments of tax” to reflect the probable intent of Congress.

1984—Pub. L. 98-369, div. A, title IV, §471(b), July 18, 1984, 98 Stat. 826, added subpart C heading and analysis of sections for subpart C consisting of items 31, 32 (formerly 43), 33 (formerly 32), 34 (formerly 39), and 35 (formerly 45). Former subpart C, setting out the rules for computing credit for expenses of work incentive programs, was repealed.

§ 31. Tax withheld on wages

(a) Wage withholding for income tax purposes

(1) In general

The amount withheld as tax under chapter 24 shall be allowed to the recipient of the in-